

suggestion of using 'travel cards,' which play the central role in the system of Marshall." The Examiner justifies this position with a statement that "[a] telephone travel card is issued by a telephone company to enable a caller to place long distance calls over any phone and to charge the call to the account of the accountholder. The travel card authorization takes place at the telephone switching facility such that the call is not completed through the telephone network unless certain conditions are met. In contrast, applicant's specification describes the use of a credit card to authorize a transaction, such as a mail order transaction or lottery participation, which takes place over an already completed telephone connection. A travel card is used to authorize telephone call completion. The credit card or lottery ticket of the applicant is used to authorize a mail order transaction or participation in a lottery; calls are completed to applicant's telephone-interface system without any prior qualification based on the credit card or lottery identification data. Therefore, applicant's credit card or lottery ticket cannot be considered as a 'travel card' which carries out a specific function in the telephony art."

In response to the Examiner's above-stated position, Applicant respectfully urges the following position. As clearly stated in Applicant's specification, on page 4 thereof, Applicant indicates that "the specific structural and functional details disclosed herein are merely representative.." Accordingly, it is not important whether a card is called a "travel" card or by any other name ("lottery" or "credit" card as alleged by the Examiner), as long as use of the card is carried out in a similar way. <sup>not carried out in a similar way</sup> Applicant respectfully negates the Examiner's position that Applicant merely describes "the use of a credit card to authorize a transaction, such as a mail order transaction or lottery participation, which takes over an already completed telephone connection." One might say that a telephone connection is not completed until a call is actually terminated. There is nothing in the claims themselves that suggests the distinctions between Applicant's specification and the claims that are urged by the Examiner. To attribute all the functionality urged by the Examiner as inherent to the term "travel," an abstract designation, would seem improper.

To that end, Applicant respectfully urges the Examiner to consider pages 72 and 73 (copies attached) of the Court's "CONCLUSION OF LAW REGARDING PATENT CLAIM CONSTRUCTION" that relates to other claims issued to Applicant in his related patents. There, with respect to the term "Products Carrying Participation Numbers," which would cover a so-called "travel" card, or "lottery" card, or any card carrying some kind of a participation number,

the defendants urged an argument to exclude "*prepaid calling cards*." Clearly, "*prepaid calling cards*" are used for making telephone calls under control of the telephone company. The Court concluded that "*products carrying participation numbers*" means: "*a physical item sold or exchanged in a commercial setting which carries a number allowing participation in the Katz system.*"

Claims 29-37, 39-47 recite a "*switching computer means being capable of disallowing completion of a call through the switching station if it is determined...that the call is not placed by a caller in good standing.*" The Examiner finds that the Applicant's specification fails to provide support for this feature. The Examiner indicates that "[i]n applicant's system, a caller dials the telephone number and is coupled by the communication facility through the ACD, interface and switch to a select processor. It is only after the call has been completed from the caller through the switching facilities to the select processor that the caller is determined as being one of good standing (page 12, line 14 - page 13, line 27; page 20, line 24 - page 22, line 35). If the caller is not one of good standing, the completed call is terminated (page 13, lines 28-31)." Therefore, the Examiner takes the position that "*applicant's specification does not provide support for the 'switching computer means being capable of disallowing completion of a call through the switching station if it is determined...that the call is not placed by a caller in good standing' as recited in claims 29-37, 39-47 since in applicant's system, the call is completed through the switching facilities (communication facility C, ACD, switch 21) irrespective of the caller's standing.*"

Applicant respectfully submits that he is puzzled by the Examiner's conclusion that the select processor cannot participate nor facilitate completion of the call. Looking at Figure 1 of Applicant's drawings, clearly a call initiated by one of the remote terminals, say T1, would progress via the communication facility (C), through one of the ACDs, say AC1, and finally via the processing system P1 (including an interface 20, a switch 21 and a processor PR1). The Examiner's claim that the call is completed through the switching facilities irrespective of the caller's standing is erroneous. On page 13 of his specification, Applicant clearly indicates that the "*resulting data signals are communicated from the interface 20 (FIGURE 1) to the processor PR1 for testing the telephone number as valid or entitled. Essentially, the format of a proper number prompts production of a valid or 'good' signal. The test is indicated by the block 44 (FIGURE 3). If the response is not valid or entitled, for example contains an inappropriate*

*number of digits or has been used to a point of excess, the operation of block 46 is initiated again cuing the voice generator 30 (Figure 1)...* (emphasis by underlining added).

Claims 38 and 48 recite "preventing connection of telephone calls if validation determines the call is not made by a caller in good standing." Again, the Examiner takes the position that "Applicant's specification fails to provide support for this feature. In applicant's system, a caller dials the telephone number and is coupled by the communication facility through the ACD, interface and switch to a select processor. It is only after the call has been completed from the caller through the switching facilities to the select processor that the caller is determined as being one of good standing (page 12, line 14 - page 13, line 27; page 20, line 24 - page 22, line 35). If the caller is not in good standing, the completed call is terminated (page 13, lines 28-31)." Therefore, the Examiner takes the position that "applicant's specification does not provide support for the step of 'preventing connection of telephone calls if validation determines the call is not made by a caller in good standing.'"

Again, Applicant indicates that page 13 of his specification clearly describes the progression of a call through his system where his system determines if a telephone number is valid or entitled, either if it contains an inappropriate number of digits or if it has been used to a point of excess.

The Examiner further contends that Applicant's disclosure fails to provide support for the voice response device which is able to "make a call through the telephone system," "prevent a caller using a travel card to make a call through the telephone system," "leave a message for at least one subsequent caller using a travel card to make a call through the telephone system," and "permit a caller using a travel card to make a call through the telephone system to be automatically rerouted to a call number supplied to the system by a travel card customer" as recited in claims 30 and 40. Applicant respectfully submits that his interface 20 (incorporating a voice generator with voice capability (blocks 42, 56, 72, and 86)) is capable of performing the above-stated functions. The interface 20 with voice capability assists with the progression of a call through the processing system P1. It prevents a caller using a card if the caller is not entitled

The Examiner further indicates that "[a]pplicant's disclosure fails to provide support for performing a 'repeated failed attempts determination' and 'preventing repeated attempts to enter the telephone system from a particular dial-up communication source by using a series of

Applicant's system prevents a caller from putting in a health-related statistical analysis, etc. e.g. lottery, mail-order, not for making a call through the tel. system. A caller makes a call which is completed through the telephone system to applicant's processing system P1 with which caller interacts to provide

*invalid personal identification numbers with a predetermined period of time' as recited in claims 31 and 41.*" The Examiner finds that *"applicant's system provides for a use-rate calculator for determining and limiting the number of successful uses by a caller, not the number of failed attempts."*

not same

However, Applicant points to page 13 of his specification, where his system determines if the caller has entered a proper telephone number or not. *"The caller is then allotted a predetermined period of time to make a proper entry ...[i]s the second try good?"*

Moreover, the Examiner indicates that *"[a]pplicant's disclosure does not provide support for 'a data storage server means...capable of access by travel card customers of the telephone system to provide current billing information to travel card customers' as recited in claims 32 and 42 or 'a voice response means being...capable of providing an oral report of current account status to travel card users' as recited in claims 33 and 43."* Applicant respectfully submits that the claimed language is adequately met by the support pointed out before, specifically, at page 40, lines 28-33.

Again, Applicant respectfully requests the Examiner to consider the foregoing remarks and institute an interference with U.S. Patent No. 5,790,636.

Respectfully submitted,

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Dated: November 7, 2000

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IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RONALD A. KATZ,  
TECHNOLOGY LICENSING,  
L.P., and  
MCI TELECOMMUNICATIONS  
CORPORATION,

Plaintiffs,

v.

AT&T CORPORATION, et al.,

Defendants.

CIVIL ACTION

NO. 97-4453

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method of measuring use, such as a limited number of accesses into the Katz system.

## **B. CLAIMS INVOLVING PRODUCTS CARRYING PARTICIPATION NUMBERS**

Claims Involving Products Carrying Participation Numbers are Claims 44 and 93 of the '707 patent and Claims 79 and 190 of the '863 patent. The text of these claims is set forth in the Appendix.

In general, these claims involve a method for limiting a caller's entitlement to access the functions of the system by requiring the caller to enter a participation number. These participation numbers are carried on products that are in some way provided to the caller prior to the call. The participation number corresponds to data stored in memory in the system which specifies a limit on a caller's access to the system.

### **1. "Products Carrying Participation Numbers"**

The plaintiffs contend that the term "products carrying participation numbers" is straightforward and its meaning may be taken from the ordinary meaning of the words themselves. The defendants argue that the words "product" and "carrying" indicate that the product on which the participation number is carried must have inherent value apart from the number; thus, the defendants argue, "products" cannot include prepaid calling cards.

The term "products" is not used in the Katz patents as a term of art, as the parties agree. Thus, the Court should give the term its plain, ordinary English meaning. The Court concludes that the plain meaning of "products," which denotes an item produced for use in a commercial

setting, does not support the construction given to it by the defendants. The plain meaning of the term "product" in the claim language does not connote something of inherent value apart from the number carried with it.

The specification does not contradict the plain meaning of "products." The only place in the specification that discusses products carrying participation numbers is Column 17, lines 13 through 17 of the '707 patent, which reads "[a] key to participation in the game show may involve the purchase of a particular product. For example, a person desiring to participate may purchase a product which carries a concealed key number. The number serves as a caller's key to participation in the game show." This passage in no way suggests that the product must have value independent of the participation number. The defendants also point to Column 9, lines 35 through 38 of the '707 patent, which discusses restricting callers to the purchasers of a medical apparatus. This discussion is given by way of example only and does not indicate that all "products" must have inherent value apart from the participation numbers.

The defendants rely on statements made by Katz during the prosecution of the '707 patent. In the August 31, 1995 Amendment, Katz distinguished the '275 patent to Kamil by stating that "Kamil discloses a telephone system enabling prepayment for telephone calls, wherein special code and credit information is stored in memory in special exchanges and debited as the call progresses" and that Kamil "does not disclose specific limitation recitations including consumable key operation, nor does it disclose providing a product bearing a participation number specifying a limit on use." (Ex. 51). The defendants argue that Katz clearly stated that his invention was distinct from Kamil because Kamil used prepaid tickets which do not have inherent value, and thus, are not "products."

The Court concludes that Katz did not unambiguously state that his invention required

products with inherent value apart from the participation number; it is possible, for example, that Katz's distinction was based on the fact that Kamil's special code connected with the prepayment for telephone calls did not specify a limit on use. Katz did not mention Kamil's use of a prepaid ticket as a method of recording the prepayment in his statements so it is not clear that Katz was using the concept of a prepaid ticket as the basis for his distinction. In addition, these statements were made by Katz in a voluntary amendment, not in an effort to change the examiner's decision on a rejected claim. Thus, the Court concludes that Katz's statements do not indicate a clear disavowal of coverage so as to require that "products" have inherent value apart from the participation numbers. See York Products, 99 F.3d at 1575.

Based on the foregoing, the Court concludes that "products carrying participation numbers" means: a physical item sold or exchanged in a commercial setting which carries a number allowing participation in the Katz system.

## 2. "Accounting data"

The second term from the Claims Involving Products Carrying Participation Numbers that the parties have presented to the Court for construction is "accounting data." This term appears in Claim 44 of the '707 patent, which includes the step of "providing on-going accounting data to said individual callers at intervals during calls from said individual callers."

The plaintiffs argue that "accounting data" should be construed according to its ordinary, common meaning, which is information relating to a reckoning or a computation. (Pls.' App. 83-84). The defendants argue that "accounting data" means callers' scores in the television game show format because that is the only format in the specifications in which Katz discusses accounting data.